



**CABINET FOR HEALTH AND FAMILY SERVICES  
OFFICE OF THE UNDERSECRETARY FOR HEALTH**

**Ernie Fletcher**  
Governor

DEPARTMENT FOR MEDICAID SERVICES  
Division of Hospital and Provider Operations  
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**James W. Holsinger, Jr., M.D.**  
Secretary

September 7, 2005

**Hospital Provider Letter #A-214**

**Dear Hospital Provider:**

This provider letter contains important follow-up information regarding co-pays and billing for hospital services. Effective August 1, 2005, DMS established the following service co-payments except as excluded in KRS 205.6312 and 42 CFR 447.53:

- Fifty (50) dollars for each inpatient hospital admission (to be deducted from the provider's reimbursement). This includes all direct admissions and admissions that result from transfers.
- Three (3) dollars for a visit to an outpatient hospital (to be deducted from the provider's reimbursement). The three (3) dollar co-pay is per eligible Kentucky Medicaid recipient, per provider, per date of service. Thus, only one co-pay is to be charged per date of service for an individual who returns to the same outpatient facility for another visit on the same day. Hospitals will now have to submit a separate claim for each outpatient encounter. Series bills will no longer be accepted.
- Three (3) dollars for a visit to a hospital emergency room for a non-emergency condition (not to be deducted from the provider's reimbursement). The emergency room physician will determine whether or not the condition is an emergency. All medical records are subject to review.

In addition to members who are exempt from service co-payments as outlined by KRS 205.6312 and 42 CFR 447.53, dual eligible members (those who are eligible for Medicaid and Medicare) are also exempt from service co-payments. Freestanding psychiatric



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hospitals, pursuant to 42 CFR 447.53(b)(3), should exempt recipients who are inpatients and are required, as a condition of receiving services in the institution, to spend all but a minimum amount of their income required for personal needs.

Inability or failure to pay a co-payment at the time of the service does not relieve an individual of the responsibility to pay a co-payment.

If recipients have questions regarding this information, please have them contact the Medicaid Member Services number at 1-800-635-2570. You may contact the Hospitals Branch in the Division of Hospitals and Provider Operations if you have any questions, at 502-564-6511.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannon Turner", with a stylized flourish at the end.

Shannon R. Turner, J.D.  
Commissioner

SRT/PS/ak